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SUBJECT: PRC MFA ON DEFENSE DEPARTMENT REPORT ON CHINA

REF: (A) STATE 82425 (B) BEIJING CH 10097

Classified By: Political Minister Counselor Daniel Shields. Reasons 1.  
4 (b) and (d)

¶1. (C) China is strongly dissatisfied with and opposed to the U.S. Defense Department's Annual Report to Congress on the Military Power of the People's Republic of China, which reflects "China Threat" and "Cold War" thinking, MFA North America Department Deputy Director General Xie Feng said. Xie made these comments in response to Polmincouns' delivery of Ref A points on May 24. Xie called the report an attack on China's "normal defense modernization" and said it represents interference in China's internal affairs. It violates international norms and the three Joint Communiqués, he claimed. It is contrary to the commitment by the leaders of the United States and China to build a constructive and cooperative relationship for the 21st Century, he said. The report harms U.S.-China strategic trust. It sends the wrong signals on Taiwan and emboldens Taiwan separatists. The USG should stop issuing these reports, Xie stated.

¶2. (C) Polmincouns expressed disappointment over the PRC's unreasonable response to the USG report. If Beijing has concerns about the report, it should respond with less rhetoric and with more accurate information. The tone of the USG report is factual, descriptive and analytical. It does not attempt to prove that China is or is not a threat, letting the facts speak for themselves. China makes sovereign decisions as to what is appropriate for its own military expenditures. The USG concern is the discrepancy between China's official military budget and its actual expenditures. There is a lack of transparency regarding the connection between China's military expenditures and its strategic intentions, he emphasized.

¶3. (C) Ref B reports on USDAO Beijing's delivery of Ref A points to the Chinese Ministry of National Defense on May 24.

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